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VISL	
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GOVERNMENT OF KERALA

Abstract

Fisheries & Ports Department - Restructuring of project model of Vizhinjam International Deepwater Multipurpose Seaport Project -Approved- Orders

Fisheries & Ports (E) Department

G.O(MS) No.69/2013/F&PD. Dated, Thiruvananthapuram, 29.11.2013

- Read:-
- 1 G.O(MS)No.75/10/F&PD dt 18-10-2010
 - 2 Letter No.VISL/VGF/2013/1254 dated 18-11-2013 from the Managing Director & Chief Executive Officer, Vizhinjam International Seaport Limited
 - 3 Minutes of the 28th Meeting of the Board of Directors of Vizhinjam International Seaport Limited held on 20-09-2013

ORDER

Government vide Order read as 1st paper above, adopted Landlord Model for the implementation of Vizhinjam International Deepwater Multipurpose Seaport Project. Under the Landlord Model, civil infrastructure is to be built by Government (at an estimated cost of Rs.1647 Cr.) through a separate EPC bid, while the superstructure for port operations and terminals etc is to be built on Public Private Partnership basis by a concessionaire selected through a competitive bidding process.

Based on the recommendations from State Planning Board on the restructuring of the project Model of Vizhinjam International Seaport for availing Viability Gap Funding from Government of India, Government directed Vizhinjam International Seaport Limited to place the proposal before the Empowered Committee for its consideration.

Subsequently, the technical consultant of the project, M/s AECOM was asked to prepare project structuring options report and they presented 4 models.

- Model I**
- Private: Equipments (Quay Cranes, RTGs etc)
 - State: Break water, Dredging & Reclamation, Berths, Super structure
 - No VGF

Model II Private: Superstructure (Buildings, Gate, Pavement etc.) and Equipments.

State: Break water, Dredging & Reclamation, Berths

No VGF

Model III Private: Berths, Superstructure and Equipments.

State: Break water, Dredging & Reclamation

VGF Applicable: Centre and State Contribution of 40% of private cost

Model IV Private: Dredging and Reclamation, Berths, Superstructure and Equipments

State: Break water, Associated Dredging and Reclamation, Fish landing Centre, Berths for Coast Guard and Indian Navy

VGF Applicable: Centre (20%) and State (20%) Contribution ie 40% of private cost

The restructuring options were considered in detail by the Empowered Committee. The Empowered Committee recommended to adopt model three. The meeting of the Board held on 5.6.2013 considered the recommendation of the Empowered Committee and decided to accept Model II.

Further, based on the discussions with Advisor to the Chairman, Central Planning Commission on 27-08-2013, the Managing Director Vizhinjam International Seaport Limited has presented the project structuring options report again and the revised proposal for availing Viability Gap Funding (VGF) from Government of India for Vizhinjam International Deepwater Multipurpose Seaport Project in the meeting of Board of Directors of Vizhinjam International Seaport Limited held on 20.9.2013. The Board noted that the State investment in Model 4 of the Project Structuring Options Report was much lower than that in Model 2 that had been considered earlier. Under model 4, the breakwater construction, associated dredging & reclamation and any other works essential for construction of break water, Fish landing Centre, berths for Coast Guard and Indian Navy would be taken by Government/Vizhinjam International

Seaport Limited and the rest of the port infrastructure and development work i.e. the dredging and reclamation, berths, superstructure equipment and the Port Operations, would be undertaken by a Private Developer cum Operator on a Public Private Partnership basis availing Viability Gap Funding from Government of India. The concession period envisaged in the model suggested was 30 years, extendable by another 20 years.

Government have examined the matter in detail. Vizhinjam International Seaport project is a flagship project of the State. The earlier order to implement the project is on landlord model under Model 2. Now it is proposed to implement the project with lesser investment from State Government. Viability Gap funding can be obtained from Government of India and part of cost of breakwater can be obtained from Indian Navy. The cost sharing from navy is expected to be better than the VGF(maximum 20%) available from Government of India. This is the optimum model with lower share from Government of Kerala and better IRR.

In these circumstance, Government are pleased to adopt Model No.4 of the Project Structuring options Report of Vizhinjam Project, April 2013 under the Landlord model for the implementation of the Vizhinjam International Deepwater Multipurpose Seaport Project

Government are also pleased to restructure the Vizhinjam International Deep water Multipurpose Seaport Project as suggested by the Planning Board for availing VGF in line with model 4 and accord sanction to submit the proposal to the Public Private Partnership Cell of the Department of Economic Affairs, Government of India for appraisal and "in - principle approval" by the Empowered Institution for availing the VGF for the Vizhinjam International Deepwater Multipurpose Seaport Project as per the Guidelines issued by the Planning Commission, Government of India.

The Request for Qualification (RFQ) forwarded by the Planning Commission, Government of India for selection of a Concessionaire (Developer-cum-Operator) of the Vizhinjam International Deepwater Multipurpose Seaport through Public Private Partnership (PPP) is approved.

The Managing Director and Chief Executive Officer, Vizhinjam International Seaport Limited is authorized to prepare the draft bidding document for the Engineering Procurement Construction Contract in line with the accepted model (model No.4) and place the same before the Empowered

Committee for approval and also issue Pre-qualification notice for the selection of Engineering Procurement Construction contractor on obtaining Environmental Impact Assessment clearance from Government of India for the project.

(By Order of the Governor)

JAMES VARGHESE
Principal Secretary to Government

To

- ✓ 1) The Managing Director, Vizhinjam International Seaport Limited
- 2) The Director of Ports, Thiruvananthapuram.
- 3) The Principal Accountant General (Audit) Kerala
- 4) The Accountant General (A&E), Kerala
- 5) The Finance Department (vide U.O No. 100885/PUB3/2013/Fin dated 25-11-2013)
- 6) General Administration (SC) Department (vide item No. 4533 dated 27-11-2013)
- 7) SF/OC

Forwarded/By order



Section Officer